

**CONFIDENTIAL**

## **BIWEEKLY REPORT**

# **SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS**

EIC-WGR-1/24

7 January 1957

**PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

**ECONOMIC INTELLIGENCE COMMITTEE**

**CONFIDENTIAL**

(07) JAN 1957

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

Printed and Disseminated by the  
Central Intelligence Agency

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Summary of Events  
21 December 1956 - 3 January 1957

Efforts of the Sino-Soviet Bloc to expand economic relations with the Free World during the period 21 December 1956 - 3 January 1957 included the purchase by Syria of 40,000 tons of gas oil from the USSR and offers by the USSR and Communist China to assist Thailand with its economic development.

The offers of aid to Thailand by Communist China and the USSR are not being considered seriously by Thailand. Although the ban on trade between Thailand and Communist China was lifted by the Thai government in June 1956, very little trade has yet taken place.

Trade between India and the Sino-Soviet Bloc increased in value during July-September 1956. The value of trade between India and the Bloc for the first 9 months of 1956 totaled \$57.6 million, an increase of \$41.2 million over the value of trade during the first 9 months of 1955.

Eight consignments of equipment for the construction of the Soviet-financed steel plant in Bhilai have been delivered to India by the USSR, and construction is reported to be progressing according to schedule. Initial steel production in the plant is expected by the end of 1958.

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Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010024-4

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Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010024-4